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Message Text

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67
ACTION ARA-20

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 DODE-00 PA-03 USIA-15 PRS-01 DRC-01 /155 W
---------- 117502
R 172220Z SEP 73
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 3746
INFO AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY SAN JOSE
AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SAN SALVADOR 3543

E.O. 11652: GDS
TAGS: PINT, ES
SUBJ: RUMBLINGS ON THE RIGHT

REF: SAN SALVADOR 3322

1. IN RECENT MONTHS, CONSERVATIVE CIRCLES HAVE BECOME INCREASINGLY UPSET BY WHAT THEY FEAR TO BE INDICATIONS OF LEFTIST OR DICTATORIAL TENDENCIES ON THE PART OF THE MOLINA GOVT. THE MOST RECENT CASE CONCERNED THE ESTABLISHMENT OF THE MONETARY COUNCIL (REFTEL). CONSERVATIVES WERE NOT ONLY WORRIED ABOUT THE OBJECTIVES OF THIS MEASURE-THE POTENTIAL FOR GREATER GOVERNMENT CONTROL OF THE COMMERCIAL BANKS--BUT ABOUT THE WAY THAT THE GOES RUSHED AUTHORIZING LEGISLATION THROUGH THE SUBSERVIENT LEGISLATIVE ASSEMBLY WITH VIRTUALLY NO DEBATE AND WITH NO PRIOR CONSULTATION ON IT WITH THE BANKING SECTOR. IN THEIR HEART OF HEARTS, OF COURSE, WHAT THE RIGHT REALLY FEARS IS A COMPREHENSIVE AGRARIAN REFORM PROGRAM SUDDENLY LEGISLATED IN A SIMILAR FASHION AND THE GOES PRESENTING
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2. THE POSITION OF THE MONIED CONSERVATIVES IS BOTH
UNDERSTANDABLE AND PREDICTABLE. MOST INTERESTING,
HOWEVER, IS THE REACTION OF PRES MOLINA TO THEIR
UNHAPPINESS, A REACTION THAT SAYS SOMETHING ABOUT
HIS OWN CHARACTER AND HIS PERCEPTION OF THE SALVADORAN
SCENE. HEARING OF THE GRUMBLING IN THE FINANCIAL
SECTOR ON THE MONETARY COUNCIL ISSUES, MOLINA EVIDENTLY
SENT A MESSAGE THROUGH AN INTERMEDIARY TO ONE OF THE LEADERS
OF THE BANKING COMMUNITY, ROBERTO HILL, ADVISING HIM THAT
AN AIR FORCE PLANE USED TO FLY LEFTISTS DISSIDENTS OUT OF
THE COUNTRY WAS ALWAYS AVAILABLE TO FLY RIGHTISTS OUT AS
WELL. (MOLINA WAS HEARD TO MAKE THIS IDENTICAL COMMENT
AT THE TIME OF DECISION TO PROCEED WITH THE CERRON
GRANDE PROJECT IN AUGUST 1972 WHEN THERE WAS GRUMBLING
AMONG LANDED INTERESTS.) WE ALSO HAVE A REPORT THAT MOLINA
INTENSIVELY GRILLED AT LEAST ONE (UNIDENTIFIED) ARMY
OFFICER ABOUT ALLEGED OVERTURES FROM THE RIGHT AIMED PRE-
SUMABLY AT CREATING AN ANTI-MOLINA CLIQUE IN THE MILITARY. HE
HAS REPORTEDLY ALSO SAID THAT RIGHTISTS HAVE CONSIDERED
ASSASSINATING HIM BUT THAT THE WRATH OF THE MILITARY
WOULD DESEND ON THEM (AND THEIR PROPERTY) SHOULD THEY TRY IT.

3. SOME RIGHT-OF-CENTER POLITICAL LEADERS, SUCH AS
THOSE FOUND IN THE PPS, REMAIN SOMEWHAT PUZZLED AND CON-
CERNED BY MOLINA'S EVIDENT SUSPECION OF BIG CAPITAL.
NOTING THAT THE POLITICAL POWER OF THE RICH HAS DECLINED
SIGNIFICANTLY OVER RECENT YEARS AS EVIDENCED BY THE PSS' OWN
DISMAL POLITICAL RECORD, THEY CONTEND THAT HE HAS LITTLE
TO FEAR FROM THEM. THE LIKELIHOOD OF "BUYING" A COUP
IN THIS DAY AND AGE HAS DIMISHED AND MILITARY UNITY
BEHIND MOLINA SEEMS SLIM IN ANY CASE. NONETHELESS, IT
IS APPARENT THAT MOLINA, LIKE SOME OF HIS MIDDLE-CLASS
PREDECESSORS, REMAINS SUSPECIOUS OF THE INTENTIONS OF
THE RICH AND MAY WELL OVERESTIMATE THEIR CAPABILITIES
TO SUBVERT HIS GOVT. (IT SHOULD BE NOTED THAT
HIS SUSPICION IS NOT ENTIRELY WITHOUT FOUNDATION, HOWEVER,
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ALLEGED COUP FEELERS TO GUATEMALAN MILITARY AUTHORITIES
FROM UNIDENTIFIED SALVADORAN CONSERVATIVES.) IN FACT,
THE DANGER TO POLITICAL STABILITY PROBABLY LIES NOT SO
MUCH IN THE CAPABILITY OF THE RIGHT TO ENGAGE IN
BYZANTINE PLOTS BUT IN MOLINA'S OWN REACTIONS TO WHAT
HE PERCEIVES TO BE A POTENTIAL THREAT AND THE UNSETTLING
AFFECT THESE CAN HAVE ON PRIVATE DOMESTIC INVESTMENTS
AND CAPITAL FLOWS.

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MOSKOWITZ

NOTE BY OC/T:(#) AS RECEIVED.

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